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# CORPORATE SOCIAL RESPONSIBILITY EFFECT ON CONSUMER PATRONAGE- MANAGEMENT PERSPECTIVE: CASE STUDY OF A TELECOMMUNICATION COMPANY IN NIGERIA

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## **Abstract**

Corporate social responsibility (CSR) has become an important topic in recent years, most especially in a developing country like Nigeria where government regulation is a toothless bulldog to the private and multi-national companies. This, with the growing recognition of the significant effect the CSR has on a company and the environment. So it is becoming increasingly clear that firms can contribute to their own wealth and to overall societal wealth by considering the effect they have on the community where they operate and the world at large when making decisions. Although consumers are often identified as a driver of the business case for corporate social responsibility, but little is known about the precise effect of CSR on the consumer of a product or service. This study used a case study approach from the managerial view to empirically test the effect of CSR on consumer patronage of a leading telecommunications network company in Nigeria. Hypotheses were developed to test the relationship between CSR initiatives and societal benefit. The Chi-square method is adopted in testing the various formula hypotheses. The findings suggest that the practice of CSR enhances consumer loyalty and patronage

towards a particular firm and also by investing in CSR, a firm could achieve a positive outcome in terms of its financial performance.

**Keywords:** *Business ethics; consumer; corporate social responsibility (CSR); philanthropic model; patronage; sponsorship*

## Kesan tanggungjawab social korporat atas perspektif penggunaan pengguna-pengurusan: Kajian kes syarikat telekomunikasi di Nigeria

### **Abstrak**

Tanggungjawab social korporat telah menjadi tajuk yang penting sejak kebelakangan ini terutamanya dalam kalangan Negara membangun seperti Nigeria dimana regulasi kerajaan tidak dipandang serius oleh syarikat persendirian dan antarabangsa. Ini telah mendapat pengiktirafan secara signifikan dan berkesan oleh CSR terhadap syarikat dan alam sekitar. Ia menjadi semakin jelas yang firma boleh menyumbang kepada kekayaan mereka sendiri dan juga kepada kekayaan masyarakat dengan mempertimbangkan kesan yang ada keatas komuniti setempat dimana mereka beroperasi dan dengan dunia luar apabila mereka membuat sesuatu keputusan. Walaupun pengguna dilihat sebagai penggerak perniagaan tanggungjawab social korporat, sangat sedikit yang diketahui mengenai kesan CSR terhadap pengguna produk atau perkhidmatan. Kajian ini menggunakan pendekatan kajian kes dari pandangan pengurusan untuk menguji kesan CSR secara empirical keatas kunjungan pengguna ke syarikat rangkaian terbesar di Nigeria. Hipotesis dibina untuk menguji hubungan antara inisiatif CSR dan manfaatnya terhadap masyarakat. Kaedah Chi-square digunakan untuk menguji beberapa formula hipotesis. Dapatan kajian menunjukkan amalan CSR meningkatkan kesetiaan dan kunjungan pengguna terhadap sesebuah firma, juga ia mampu mendapat hasil yang positif dari aspek prestasi kewangan

**Kata Kunci:** *Etikaperniagaan; pengguna; tanggungjawab sosial korporat (CSR); filantropik; pengguna; penajaan*

### **INTRODUCTION**

Corporate Social Responsibility (CSR) as a concept entails the practice whereby

corporate entities voluntarily integrate both social and environmental up-liftment in their business philosophy and operations. A business enterprise is primarily established to create value by producing goods and services which society demands. The notion of CSR is one of ethical and moral issues surrounding corporate decision making and behaviour, thus if a company should undertake certain variables or refrain from doing so because they are beneficial or harmful to society is a central question. Social issues deserve moral consideration of their own and should head managers to consider the social impacts of corporate variables in decision-making.

Corporate Social Responsibility in all its shades is a fast growing concept with little attention paid to its linguistic undertone. It is not uncommon in the literature and in practice, for CSR discourses to be overly constructed along such moral ends as philanthropy (Carrott, 2004) and altruism (Lantis, 2004). Despite the need for business to be morally conducted, one of the primary concerns in CSR debates is whether organizations pursue it for economic reasons or simply because doing so has intrinsic merit. Unfortunately, there are few empirical tests in supports of the intrinsic merit motive which makes CSR practice and susceptible.

The emergence of strategic CSR (Lanbos 2001) or strategic philanthropy (Porter and Kramer, 2002) as a comfortable cover for firms to further their natural quests for profit and self interest is thought not to be only self defeating but provide anti-corporatists with ready-made tools to quickly uncover the variety of these forms and eagerly shape them as “hypocrites”. Moreover, as CSR continues to make inroads into the business arena, the harder its proponents are pressed to provide business exemplars justifying the continued legitimacy as a business practice. The CSR skeptics go down this business case’ routine because of their seeming belief that the quest for strategic CSR will inevitably evolve the old dilemma of possible trade-offs between material profit and normative morality.

Gustafson (2006), CSR is one of the most dynamic, complex and challenging areas that business leaders face today and it is arguably one of the most critical, even as deregulation is increasingly gaining ground in most countries thus bring industries under pressure to take an active role in making the society a better place to live in and not only for them.

## **BACKGROUND OF THE STUDY**

Corporate Social Responsibility (CSR) also known as corporate responsibility, corporate conscience, corporate citizenship, sustainable responsible business or corporate social performance is a form of corporate self – regulation integrated into a business model. Ideally, CSR policy functions as a built – in self regulating mechanism whereby business would monitor and ensure its support to law.

The story of CSR in the 21<sup>st</sup> century is a story of progressive business sensitization to systems and dynamics of governance beyond government regulation, beyond the law, and responsiveness beyond responsibility (Horrigan

2007: 85). Consequently, businesses embrace responsibility for the impact of its variables on the environment, consumers, employees, communities, stakeholders, and all other members of the public sphere. Furthermore, CSR – focused businesses proactively promote the public interest (consumers) by encouraging community growth and development, voluntarily eliminating practices that harm the public sphere.

In recent decades, as societies in Nigeria have become more prosperous, better educated and more articulated, increasing attention has focused on the social responsibility of business firms, because business firms are allowed to flourish within society and to make use of various natural and human resources available as well as public services.

The primary goal of a company is profit. To make more profit, companies make good products, invest money to retain competent employees and develop new technology and retain customers. These efforts have not only benefitted businesses economically, but have also contributed to the development of modern society. This social contribution concept of passive social responsibility has governed the mind of business owners until recently.

The term “CSR” came into common use in the early 1970s, after many multinational corporations formed, although it was seldom abbreviated. With the changes in economy, society and environment, however, the definition of social responsibility has changed. Social responsibility in modern society requires a company to be a corporate citizen conforming to the needs of customers, in addition to supplying good products at a reasonable price and thus contributing to society (Lee, 2002). According to Drucker (1984) and Carroll (1991), like individuals, the behavior of the company should be evaluated by an ethical code and thus companies are responsible for their behaviors ethically and legally as they strive to be good corporate citizens.

In the long term the variables rendered by companies are profitable not only to the society and people but also to the stakeholders whom an organization VARIABLES have an impact and was also used to describe corporate owners beyond shareholders as a result of an influential book by R. Freeman in 1984, and the company itself by improving the company image and further increasing the sales.

Some scholars with this economic view of corporate engagement in good deeds call it “social investment” (Stump, 1991) or “meta responsibility (Reich, 1998). In this view, profit and social responsibility are not separate issues. Companies consider their interests before encouraging employees, improving the company image and reducing government intervention are profitable companies would participate in social responsibility more actively. The scale and nature of the benefits of CSR for an organisation can vary depending on the nature of the enterprise and are difficult to quantify, though there is a large body of literature exhorting businesses to adopt measures beyond financial ones. Orlitzky, Schmidt and Rynes (2003) found a correlation between social/environmental performance

and financial performance. However, businesses may not be looking at short run financial returns when developing their CSR strategy.

## **LITERATURE REVIEW**

The practice of CSR is much debated and criticised. Proponents argue that there is a strong business case for CSR in that corporations benefit in multiple ways by operating with a perspective broader and longer than immediate, short – term profits; some of the benefits corporations gain from CSR and that have been “empirically tested include corporate reputation (Logsdon and Wood, 2002; Orlitsky et al., 2003) and reducing business risk (Orlitzky and Benjamin, 2001). Other benefits that have been explored conceptually include boosting sales revenue (Auger et al., 2003), customer goodwill (Solomon and Hansen, 1985) and increasing rivals’ costs (McWilliams et al., 2002; Heyes, 2005; as cited by Nun and Tan 2010).

However, critics argue that CSR distracts from the fundamental economic role of businesses, others argue that it is nothing more than superficial covering up of the in-depth of the organization, yet others argue that it is an attempt to pre – empts the role of government. Brenkert, 1996; Carroll, 2001 stated that “although CSR is good for both society and the company in the long run and consumers are favourable to socially responsible companies that support philanthropic variables”.

However, there are many definitions of CSR which emphasize different areas, but the most contemporary and most applicable to majority cases, is defined by the World Bank Group’s Corporate Social Responsibility practice, as a department of Foreign Investment Advisory Service (FIAS): “Corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development” (World Bank Group, 2003).

According to one of the most frequently cited definitions, CSR is ‘a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis’. (M. Prieto-Carrón, P. Lund-Thomsen, A. Chan, A. Muro and C. Bhushan 2006: p 978). Meanwhile, there is no set definition of CSR to which all agents follow, and this has led to confusion regarding what, if anything should be expected of companies in the area of social impact on society, not merely the return to stockholders.” ‘CSR’ is defined by each group from its own perspective in order to meet its own aims. For public relations (PR) people, CSR is often characterized as reputation protection; for accountants, it is about supply – chain auditing; for NGOs, it is about preservation of resources or humanitarianism; for governments, it is about sharing the burden of sustaining” (Tim Kitchin, 2003). Corporate Social Responsibility (CSR) has recently become a key subject in the field of marketing, advertising and academics (Balabanis, Phillips & Lyall, 1998).

A number of scholars have made many attempts to define the concept of CSR (Caroll, 1979; Eells & Walton, 1961; McGuire, 1963). A Green Paper published by the European Commission in July 2001 (Han, 2003) stated that "Corporate Social Responsibility also means the relationship between companies and their environments, at local, national, European and worldwide level... good relations with local settings are important for companies as this is where they recruit the majority of their staff. It is also important for companies to develop networks and creates links to other businesses" (European Union, 2007).

Social responsibility is the degree to which a company recognizes what a good community and global citizen mean and acts accordingly. Davies & Co. (1975) stated that "social responsibility is the obligation of decision makers to take actions which protect and improve the welfare of society as a whole along with their own interests". According to Davies & Co., to protect means avoiding negative impacts on business and society, while to improve implies creating some positive benefits for society. However, business is viewed as an economic institution i.e. producer and distributor of goods and services for a profit, but the society puts on its other objectives.

World Business Council (2006) defines CSR as capacity building for sustainable livelihood. Ghana Council of Business Association (2006) defines CSR as business opportunity in building the skills of employees in the community and of government. According to the definition of Angelidis and Ibrahim (1993), Corporate Social Responsibility is 'corporate social actions whose purpose is to satisfy social needs'. Corporate social responsibility requires investment and it yields measurable outcomes.

Caroll (1979) describes social responsibility as the three dimensional integration of CSR: Corporate Social Responsiveness and social issues which focuses on the interface between the firm and its environment rather than on the relationship between business as an institution and the society in which it operates. Thus, consumer patronage is the support or approval by customers in a company that has a positive impact on its environment. Torrent (2005) regards CSR as the mantle of service; the earlier prerogative of the few has been extended to a larger part of society and the business community at large which call for corporate entities to put in resources and services for the betterment of the society, service to the community through the establishment of facilities, infrastructure and uplift plans.

Enderle and Tavis (1998) define corporate social responsibility as "the policy of its legal obligations for the benefit of the society at large". Lerner and Fryxell (1988) suggest that CSR describes the extent to which organizational outcomes are consistent with societal values and expectations. CSR is the expression of a corporation's level of moral development, where the values that guide corporate, socially responsible policies, decisions and programmes are products of a variety of normative systems, depending on the culture, religion, education, etc. (Frederick, 1991).

## **THE EFFECTS OF (CSR) ON CONSUMER PATRONAGE.**

Keller & Aaker (1995) found that corporate image has a direct effect on perceptions of product quality. In their study of boycotter versus non-boycotter behavior, Belch & Belch (1987) found that corporate image had an effect on attitudes toward the product for non-boycotters. Wansink (1989) found that the reputation of retailers affected how consumers evaluated attributes missing from advertisements. Brown and Dacin (1997) found that corporate associations, which include corporate ability and corporate social responsibility, affected product evaluations through corporate evaluations. Netemeyer et al. (2001) found that the organized association of being a “good corporate citizen” was related to willingness to pay a price premium for a brand and brand purchase. The afore cited studies suggest an overall positive attitude toward companies associating themselves with causes that benefit society, and companies using their resources to benefit society is clearly related to the concept of corporate philanthropy.

The organization will benefit in the future from its philanthropic activity by being perceived as socially responsible, and this will motivate employees to work for the firm and customers will be motivated to purchase the firm’s brands. Moreover, a healthy company cannot survive in a sick community; therefore, companies that use a portion of their resources to address social problems are helping to secure their long-term survival. As long as a corporation is not selling a dangerous or harmful products, an investment in CSR that produces more sales in return should not only benefit the firm shareholders, but also benefits the society

However, there are some corporations that do “social marketing” more actively. They invest substantial resources in marketing variables (including public relations programs) designed to achieve certain positive social outcomes. They engage in what might be considered corporate social marketing programs.

Corporate social marketing is defined as a “corporate initiative where significant amounts of the time and know – how of the marketing personnel who work for the ultimately persuading people to engage in as socially beneficial behavior” (Bloom, Hussein and Szykman 1997). Hence, when corporations invest resources in CSR variables, they usually seek a return on their investment in the form of increased sales. Successful CSR variables can help society by reducing prices, accelerating innovation, wanted products and services. According to Bloom et al (1997), many corporations also do CSR through the ordinary marketing of their products and services which gets consumers more attracted. Patronizing a socially responsible company has a positive impact on the sales of the company. That is, through the social responsibility carried out by the company, consumers will be in free spirit to support in the increasing sales volume of such company. Companies are expected to move out of their business line to make an impact on the society and so with what the society sees that the



company has contributed, there will arise consumers that will sell the company in goodwill to other consumers.

As companies use CSR responds positively to emerging societal priorities and expectations, so are the consumers willing to make the best out of the company. Consumers, in return to the CSR variables rendered by the company, there also make an impact on the increase in profitability. Thereby, consumers make more purchase of the products or services produced from that socially responsible company which boost the sales volume of the company. The more purchases made from consumers, the more profits the company derives.

Due to the CSR variables rendered by companies in the dimensions of economic (responsibility to earn profit for owners), legal (responsibility to comply with the law - society's codification of right and wrong), ethical (doing what is right, just and fair, not acting just for profit), voluntary and philanthropic (promoting human welfare and goodwill) and being a good corporate citizen contributing to the community and the quality of life), all the involved persons are called consumers. With these variables with the companies, the consumers would not restrict patronizing the company that has immensely contributed to the society.

Again, under the umbrella of impacting on the society, the company has the privilege of raising brand loyalties from the society. Brand loyalty is an article by Tidwell & Horgan (1992) brand loyalty was expressed as "a portion of repeat purchase behavior that find a basis in terms of internally stored structures of information: brand – related beliefs, states of affect and behavior – based intentions".

Brand loyalty has also been defined as "a deeply held commitment to re-buy or re-patronise a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior" (Yoo et al, 2000). Brand loyalty is also an active support by customers to continue buying a particular brand of a product in the face of competing branded substitutes. The consumers are encouraged to patronize their products. Furthermore, the effect of CSR on consumer patronage can be based on the aspect of reliability. The consumers put trust in the company because of the social responsibilities carried out. When a company promises to support a community and is able to fulfill the promises, the consumers rely and loyal to the company and promote it.

The effect of CSR brings about an increase in brand preference when the consumer effects a habitual selection of branded product over other products either because of the corporate social responsibility impact on consumers or base on another factor. In summary, corporations are to put the society and the company's community into plans to be able to remain in business as well as prosper. This is so because they both constitute the vital external publics that a company needs to vitalize and grow through their responses which is the patronage they give.



## **STATEMENT OF THE PROBLEM**

The practice of CSR is much debated and criticized. Proponents argue that there is a strong business case for CSR in that corporations benefit in multiple ways by operating with a perspective broader and longer than immediate, short – term profits; some of the benefits corporations gain from CSR and that have been “empirically tested include corporate reputation (Logsdon and Wood, 2002; Orlitsky et al., 2003) and reducing business risk (Orlitzky and Benjamin, 2001). Other benefits that have been explored conceptually include boosting sales revenue (Auger et al., 2003), customer goodwill (Solomon and Hansen, 1985) and increasing rivals’ costs (McWilliams et al., 2002; Heyes, 2005; as cited by Nun and Tan 2010).

However, critics argue that CSR distracts from the fundamental economic role of businesses, others argue that it is nothing more than superficial covering up of the in-depth of the organization, yet others argue that it is an attempt to pre – empts the role of government.

Brenkert, 1996; Carroll, 2001 stated that “although CSR is good for both society and the company in the long run and consumers are favourable to socially responsible companies that support philanthropic variables, there are questions to be asked:

- Are all CSR variables equally effective for the sponsoring companies in terms of consumer attitudes toward their purchase intentions for the products?
- What approaches are used by companies to effect consumer patronage through CSR?”

The primary goal of this study is to examine the effects of social responsibility on consumer patronage and the influence of the approaches of CSR on consumers and other responsibilities to other group – members. Also, the insight of CSR will be looked into as not only positively influencing consumers but also the negative effects on its environment, company itself and society. This research will help marketing scholars, marketing managers, public relations managers and corporate owners who are considering a corporate social contribution as a strategic way to benefit society and at the same time benefit their company. This research will help marketing scholars, marketing managers and corporate owners who are considering a corporate social contribution as a more strategic way to benefit society and at the same time benefit their company.

## **SCOPE OF STUDY**

This study covers the extent of enhancement of CSR and the effects on the consumer patronage (in terms of profitability, brand loyalty, market growth, corporate image building) of MTN.

The above named telecommunication was chosen as a case study because of its effective and adequate corporate social responsibility (CSR) and being the

leading telecommunication company in Nigeria. This study critically examines how this telecommunications company has been using CSR to increase their profitability, patronage and market growth.

The concept “social responsibility” is to encourage better health, education and maintain economic empowerment through organizations of social VARIABLES, donation to schools, hospitals, creation of job employment etc. for consumers to be able to benefit from the social company.

### **Aims and Objectives**

The main thrust of this study is:

- To know how effective is CSR on consumer patronage to socially responsible companies.
- To know the influence of CSR on consumer attitudes toward products of social companies.
- To know the positive and negative effects of CSR.

Thus finding answers to the following research questions is imperative:

- • Is there favorable support from consumers to social responsible companies?
- • How important is CSR variables on consumer patronage?
- • How can corporate social contribution be beneficiary to society and the company itself?

### **Research Hypotheses**

For the purpose of this study, the hypotheses below are posited for verification.

Hypothesis i

- H1-1 Consumers are not favourable to socially responsible companies that support philanthropic variables.
- H1-2 Consumers are favourable to socially responsible companies that support philanthropic variables.

Hypothesis ii

- H2-1 Corporate social responsibility (CSR) does not contribute to the society as a whole.
- H2-2 Corporate social responsibility (CSR) does contribute to the society as a whole.

### **METHODOLOGY**

The study was conducted using survey approach. A self-completion questionnaire was designed and distributed to the staff of the company on a working day. The distributed questionnaires were retrieved after forty-eight hours which is equal to two working days. This method was adopted due to the tight schedule-hours of the respondents. A pilot test was run for validity sake. The population of the

study is the accessible management staff of MTN in Lagos State who, in one way or the other, has a relationship with the customer far or near. A snowball sampling method was used which gave the sample size of 100. The questionnaire comprises two sections, section A and B. Section A contains personal data of respondents and section B covers the main questions relating to the topic under study. Out of the 100 questionnaires that were distributed only ninety (90) were properly filled among the returned questionnaires.

Data was analysed using simple percentage and frequency while the chi – square method was employed for the hypotheses. The formula of chi – square is given as:

$$X^2 = \frac{(O - E)^2}{E}$$

**E** where **O** is the Observed Frequency in each category

**E** is the Expected Frequency in the corresponding category

is sum of

**df** is the “degree of freedom” (n-1)

**X<sup>2</sup>** is Chi Square

Decision Rule:

The level of significance which defined the level of error allowed by the research is 5% or 0.05

## DATA ANALYSIS

**Table 1: Gender Distribution of Respondents**

Variables	Responses	Percentages (%)
Male	55	61.1
Female	35	38.9
Total	90	100

**Table 2 : Age Distribution of Respondents**

Variables	Responses	Percentages (%)
Below 21 years	11	12.2
21 – 30 years	33	36.7
31 – 40 years	36	40
41years above	10	11.1

**Table 3 : Marital Statuses of Respondents**

Variables	Responses	Percentages (%)
Single	25	27.8
Married	40	44.4
Divorced	20	22.2
Widow (er)	5	5.6

**Table 4 : Educational Qualifications of Respondents**

Variables	Responses	Percentages (%)
WAEC/NECO/GCE	-----	-----
OND/NCE	30	33.3
HND/BSC/BA	50	55.6
PGD/MSc/MA	10	11.1

**Table 5 : Management Position Held**

Variables	Responses	Percentages (%)
Top	10	11.1
Middle	35	38.9
Low	25	27.8
Contract	20	22.2

## ANALYSIS OF THE RESULTS

1. 77.8% (i.e. 55.6% SA and 22.2% A) of the respondents accepted that CSR contributes to profit generation
2. 94.5% of the respondents accepted that CSR aids consumer loyalty and patronage.
3. There is a 61.1% acceptance that CSR gives a firm a competitive edge relative to its competitors
4. 55.5% of the respondents (i.e. 11.1% strongly agree and 44.4% agree) accepted that CSR helps to retain and build consumers for products and services
5. 88.8% of the respondents agreed that CSR brings about an increase in market share of the firm.
6. 100% of the respondents agreed that the services of their firm are placed

very close to consumers through CSR effort.

7. 88.9% of the respondents affirmed that the firm offers corporation work to local community members for community.
8. 66.6% of the respondents agreed that the firm attracts and entices consumers and make them comfortable with the company through CSR initiatives rendered.
9. 44.4% of respondents strongly agreed and 44.4% agreed that philanthropy is used to support the local communities.
10. 88.8% of the respondents agreed that their firm is able to grow through CSR rendered.
11. 100% of the respondents affirmed that the firm engages in universal social responsibility or sponsorship.
12. There is a 100% acceptance from the respondents that philanthropy approach helps to increase number of consumers
13. There is a 100% affirmation by the respondents that the community responds positively towards the social responsibility initiatives of the company.
14. 55.5% of the respondents accepted that the organization CSR initiative is a profit increase oriented.

## HYPOTHESIS TESTING

The Chi-square method is adopted in testing the hypotheses. The chi-square is a measure of the discrepancy that exists between observed and expected frequencies.

### Research Hypothesis I

Table 6 The firm attracts and entices consumers and makes them comfortable in dealing with the firm through CSR rendered.

Code	Response	O	E	(O-E)	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
1	SA	40	18	22	484	26.89
2	A	20	18	2	4	0.22
3	U	-	18	-18	324	18
4.	D	30	18	12	144	8
5	SD	-	18	-18	324	18
						<b>71.11</b>

$$X^2_{cal} = 71.11$$

Level of significance 5% = 0.05

Degree of freedom (n-1) = (5-1) = 4

$X^2_{tab} = 4 (0.05) = 9.488$

Decision: Reject the stated hypothesis since  $X^2_{cal}$  (71.11) is greater than  $x^2_{tab}$  919.448). This implies that consumers are favourable to socially responsible companies that support philanthropic variables.

RESEARCH HYPOTHESIS II

Table 7 CSR aids consumer loyalty and patronage

Code	Response	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> E
1	SA	60	18	42	1.764	98
2	A	25	18	7	49	2.72
3	U	-	18	-18	324	18
4.	D	5	18	13	169	9.39
5	SD	-	18	-18	324	18
						146.11

$X^2_{cal} = 146.11$

Level of significance 5% = 0.05

Degree of freedom (n-1) = (5-1) = 4

$X^2_{tab} = 4 (0.05) = 9.488$

Decision: Reject the stated hypothesis since  $X^2_{cal}$  (146.11) is greater than  $X^2_{tab}$  (9.448). This implies that corporate social responsibility enhances consumer patronage.

SUMMARY AND CONCLUSION

Generally, CSR affects consumer patronage worldwide and in Lagos metropolis and that marketing strategies such as sponsorship, philanthropy, social marketing etc helps socially responsible companies to serve the customers effectively. All these confirm that by practice, socially responsible companies apply the approaches of CSR presented in the literature review.

Analysis of data collected indicated that generally, Corporate Social Responsibility (CSR) is of great importance in the following areas – consumer patronage, society, consumer satisfaction, retaining and building loyal consumers,

bringing the competitive edge relative to competitors, increase in market share, increase in sales revenue and increase in sales volume.

On the test of hypothesis conducted, the fact that hypotheses are either accepted or rejected does not totally imply that they are true or false. They only appear to be the correct conclusion based on the data collected and analysed from the population sample. In view of this fact, the result of hypotheses tested showed



that: There is no significant difference among respondents that consumers are favourable towards socially responsible companies that support philanthropic variables. Furthermore, corporate social responsibility enhances consumer patronage.

The corporate social responsible company (MTN) innovates and introduces new products that satisfy the needs of the customers. The prices are affordable and the company expends a lot of money on regular promotion, advertisement, publicity, public relations. The company service delivery processes are very fast and effective in that they are placed very close to the customers through pro – social variables efforts. Through CSR, the customers are attracted and made comfortable in dealing with the company.

The firm offers strategies such as philanthropic approach, community – based development approach, sponsorship approach to achieve their mission and fully satisfy the customers better than competitors. In view of the outcome of this study on the effect of corporate social responsibility on consumer patronage it is recommended that firms should improve and maintain a good image and better service; it should increase its staff – customer’s relationship by introducing direct marketing or personal interview with customers. This will help in identifying and meeting or attending to customers’ needs and problems and complaints.

## **BIODATA**

**Babatunde Kamaldin Abdulsalam** is a lecturer with the Kwara State University, Malete. He teaches in the mass communication department. He specializes in public relations and advertising. He is a member of many professional bodies both in Nigeria and abroad. He is a member Nigerian Institute of Public Relations (NIPR) and American Academy of Advertising to mention a few. The author can be contacted at e-mail: *babsalam@yahoo.com*. **Seyi Akinboboye** is a graduate of Marketing Studies from Lagos state university, Department of Management Sciences. His research interest is in marketing and communication. He is currently a marketing officer in one of the private companies in Nigeria. The author can be contacted at e-mail: *akinboboyeoluwasseyi@yahoo.com*

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